



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
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REPLY TO THE ATTENTION OF

B-19J

December 12, 2003

Phillis Johnson-Ball
Environmental Project Manager
Section of Environmental Analysis
Case Control Unit
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Docket No. 34424, *Canadian National Railway Company and Grand Trunk Corporation Control Acquisition*

Dear Ms. Johnson-Ball:

In accordance with the National Environmental Policy Act (NEPA), Section 309 of the Clean Air Act, and the Council on Environmental Quality's implementing regulations (40 CFR 1500-1508), the U.S. Environmental Protection Agency (U.S. EPA) is providing comments on the Canadian National Railway Company and Grand Trunk Corporation (together, CN) control acquisition of three rail carriers, Duluth, Missabe and Iron Range Railway Company (DMIR), Bessemer and Lake Erie Railroad Company (B&LE), and The Pittsburgh & Conneaut Dock Company (P&C Dock) from the Great Lakes Transportation, LLC.

Pursuant to a review of the Environmental Appendix (EA) submitted by counsel for CN, we feel the following issues should be addressed in the Surface Transportation Board's (STB) independent environmental analysis of this proceeding.

- The proposed transaction is stated to have possible environmental effects on a 6.0 mile section of a 64.0 mile rail corridor in northeastern Minnesota between Shelton and Nopeming Junctions where DMIR and CN own parallel rail lines. CN plans to coordinate operations after acquiring control of DMIR by exchanging trackage rights and implementing directional running to avoid centralized traffic control expenses and delays due to idling. After reviewing the EA, we do not have sufficient information to determine if a 100% increase in tonnage over the 6.0 mile section poses a significant environmental impact. We suggest the following points be considered by the STB when it makes its determination of whether this action can be categorically excluded or if it warrants a more detailed Environmental Assessment.
 - Noise. Discussion should include number of trains per day, time of day when trains are expected to travel through the lightly populated, rural community, and proximity of rail line to residential or other sensitive units (e.g., hospital);

- Community. Discussion should include determination of whether the rural community is classified as an environmental justice community. It is unclear from the EA whether the determination that impacts of the proposed transaction would not be significant applies to the entire 64.0 mile corridor (see page 11 of the EA);
- Grade crossings. Discussion should include percent delay at grade crossings and passenger safety.
- The EA indicates CN is of the opinion that DMIR's car and locomotive shops at Proctor, Minnesota, which are over 50 years old, are exempt from historic review under the National Historic Preservation Act of 1966 (NHPA) because they will not be disposed of or altered. However, the STB, or CN under the direction of STB, should contact the Minnesota State Historic Preservation Office to fulfill the requirements of NHPA and ascertain if the facility or elements of the facility (i.e., historic use) are eligible for listing.
- B&LE and P&C Dock, located in Ohio and Pennsylvania, are not connected to CN rail line. While CN states it does not intend to impose any operational changes on these two railroads, we are concerned with the possibility of an eventual connection between CN rail line and B&LE and/or P&C Dock rail line. If this alteration is planned before the control acquisition is completed, CN should be requested to revise its documentation concerning the expected increase in number of trains per day, annual gross ton-miles, rail yard activity, use of intermodal facilities, etc.

Thank you for the opportunity to review this document. We look forward to receiving a copy of the STB's environmental review and CN's Safety Integration Plan. Should you have any questions, please do not hesitate to contact me or Kathleen Kowal of my staff at (312) 353-5206 or via email at kowal.kathleen@epa.gov.

Sincerely,



Kenneth A. Westlake, Chief
Environmental Planning and Evaluation Branch

cc: Paul A. Cunningham, Attorney for Canadian National Railway Company